



Thrift Savings Plan BULLETIN

for Service TSP Representatives

Subject: Thrift Savings Plan Open Seasons

Date: September 18, 2002

This bulletin contains general information about Thrift Savings Plan (TSP) open seasons. It describes materials that must be distributed to service members before the start of each open season and provides guidance on publicizing open seasons. Attached to this bulletin is a [sample memorandum](#) services may use to announce the open season.

I. Introduction

The TSP open season is the period during which uniformed services members may elect to make contributions to the TSP, change the amount they are contributing to the TSP, or terminate their TSP contributions (without losing the right to resume contributions the next open season).

There are two TSP open seasons each year: April 15 through June 30 and October 15 through December 31. The last calendar month of the open season (June or December) is the election period.¹

II. Service Responsibilities

During a TSP open season, services must take the following actions:

- A. Distribute open season materials. See Section III below for more information about TSP open season materials and this requirement.
- B. Notify all service members of the open season. See Section IV for more information about this requirement.

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¹ As explained in TSP Bulletin 01-U-3, dated July 19, 2001, an open season election to begin or change TSP contributions may not be made effective before the first full pay period of the election period.

Inquiries: Questions concerning this bulletin should be directed to the Federal Retirement Thrift Investment Board at **202-942-1460**.

Chapter: This bulletin may be filed in Chapter 4, Open Season.

- C. Process TSP contribution elections. See TSP Bulletin 02-U-23, dated July 25, 2002, for more information about processing contribution elections.

III. Distributing Open Season Materials

- A. Materials sent to services each open season

Before the start of each open season, the Federal Retirement Thrift Investment Board (Board) distributes the materials described below to services' central distribution points. **Each service central distribution point must then ensure that the materials are distributed appropriately throughout the service so that the actions described below can be taken.**

- 1. Open Season Update

The Board issues a new Open Season Update each open season. The Update is a 3-fold flyer which contains information specific to that open season. The Update also contains historical annual rates of return for the five TSP investment funds.

Distribution by services. Services must distribute the Update to all uniformed services members. Updates that are not distributed during the open season should be discarded when the Updates for the next open season arrive.

- 2. Posters

The Board designs a different poster each open season. The posters are available in 2 sizes: 8½ by 11 inches and 17 by 22 inches. Services should display the posters in areas where they will be highly visible, such as service bulletin boards, elevators, cafeterias, hallways, and lounges.

Distribution by services. Services should distribute these posters internally so that four small posters are distributed for every 100 service members and four large posters are distributed for every 1,000 service members. These instructions are printed on the back of the posters.

- B. Other materials that services must provide during the open season

Services must also provide the following materials during the open season, as described below. To obtain additional supplies of these materials, services should have a representative of their central distribution point order them by

completing the Thrift Savings Plan Order Form (TSP-U-40). These materials are also available from the TSP Web site at www.tsp.gov.

1. *Summary of the Thrift Savings Plan for the Uniformed Services*

The booklet *Summary of the Thrift Savings Plan for the Uniformed Services* describes the TSP in detail. It discusses participation and contribution rules, investment options, loans, withdrawals, and other aspects of the TSP.

2. TSP Election Form (TSP-U-1)

Service members must use Form TSP-U-1 to make TSP contribution elections. However, service members may also make contribution elections electronically if their services have an automated process in place which allows them to do so (e.g., E/MSS).

During TSP open seasons, services must provide Form TSP-U-1 to service members upon request. If services allow (or require) members to make electronic contribution elections, services must ensure that members know how to make electronic contribution elections.

IV. Communicating Open Season Opportunities

Services should inform all members of the dates and purpose of TSP open seasons at the start of an open season. The materials described in Section III above contain such information, and by providing these materials to service members, services will meet this requirement. However, services may want to take additional actions to publicize the open season, such as those listed below.

A. Issue a brief written announcement that includes instructions for making contribution elections.

Attached is a sample announcement that services may want to use for this purpose. Information in [brackets] should be adapted as appropriate.

B. Print a message about the TSP open season on service leave and earnings statements.

C. Conduct member briefings or TSP information fairs to explain the features and benefits of the TSP.

V. Unusual Circumstances Involving TSP Contribution Elections

A. Powers of Attorney

Under certain circumstances (e.g., an illness or extended absence), a service member may execute a Power of Attorney to authorize another individual to act as his or her agent. Services may accept Powers of Attorney and use them to process TSP contribution elections. No particular form of Power of Attorney is required by Board regulations. Legal counsel for the service should be consulted regarding whether a particular Power of Attorney is legally sufficient and whether it should be honored to process a TSP contribution election.

B. Belated elections

Services may accept a TSP contribution election after the close of the open season **if**, in the judgment of an appropriate service official, the service member had been prevented from making an election during the open season due to circumstances beyond the member's control. If a service accepts a belated election, it should make a written record, signed by an appropriate service official, of the basis for allowing the belated election.

Belated contribution elections must be made effective no later than the first full pay period after receipt. In addition, if the failure of a service member to make a contribution election during the open season is due to service error, the service member may also be entitled to make up TSP contributions that he or she could have made had the error not occurred.

See the Board's regulations at 5 C.F.R. part 1600 for more information about belated contribution elections which are not due to service error. See the Board's regulations at 5 C.F.R. part 1605 for more information about belated contribution elections which are due to service error and information about making up TSP contributions.



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Attachment: Open Season Announcement

Please note that the information in [square brackets] must be changed by the service to reflect the relevant information, or it must be furnished by the service, as appropriate. Instructions to the service are set forth in {curly brackets}.

Thrift Savings Plan Open Season

The next Thrift Savings Plan (TSP) open season begins [October 15] and ends [December 31, 2002]. During the open season, you may begin contributing to the TSP or change the amount of your TSP contributions.

How to make a contribution election. To make a contribution election, submit Form TSP-U-1 (Election Form) to [insert office name]. You can obtain Form TSP-U-1 from [insert office name] or the TSP Web site (www.tsp.gov). {If members may, or must, make electronic contribution elections, revise this section accordingly.}

To contribute from basic pay, you must specify the percentage of pay you want to contribute each pay period. You may specify any whole number up to [8] percent. If you elect to contribute from basic pay, you may also elect to contribute from incentive pay and special pay (including bonus pay). You may elect to contribute from one to one hundred percent of your incentive pay and special pay (including bonus pay).

When elections become effective. If your election is received before [insert date], it will become effective the first full pay period in [December]. Your leave and earnings statement dated [insert date] will reflect this election. If your election is received after [insert date], it will become effective [no later than] the first full pay period after it is received.

How to make an investment election. You may invest in any of the five TSP investment funds. To change the investment of future contributions to your TSP account, you must request a **contribution allocation**. To change the investment of money already in your account, you must request an **interfund transfer**.

To request a contribution allocation or an interfund transfer, use the TSP Web site (www.tsp.gov), the ThriftLine ((504) 255-8777), or Form TSP-U-50 (Investment Allocation). You may request a contribution allocation or interfund transfer at any time. Contribution allocations are processed daily, and your contribution allocation request will generally be effective no later than 2 business days after it is received. [Interfund transfers are processed monthly after accounts have been valued; your interfund transfer request must be received by the fifteenth of the month (or, if the fifteenth is not a business day, the next business day) for the interfund transfer to be effective as of the end of the month.]*

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*{After the new record keeping system is implemented, interfund transfers will be processed as contribution allocations are now processed (i.e., daily). Consequently, after the new record keeping system is implemented, services should delete this bracketed sentence and change the preceding sentence to include interfund transfer requests (e.g., Contribution allocation and interfund transfer requests are processed daily, and your request will generally be made effective no later than 2 business days after it is received.).}

Where to get more information about the TSP. The booklet *Summary of the Thrift Savings Plan for the Uniformed Services* describes the TSP in detail and contains more information about contribution elections, contribution allocations, and interfund transfers. The latest version of this booklet is dated October 2001. If you do not have the latest version, contact [insert name and number of service contact]. This booklet is also on the TSP Web site.

The flyer “Open Season Update, [October 15 - December 31, 2002]” contains basic information about this TSP open season and presents historical rates of return for the TSP investment funds. This flyer has been [will be] provided to you [shortly] by [insert service office].

If you have additional questions about the TSP, contact [insert service contact and other information, as appropriate.]